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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
Plaintiff,

v.

MATTHEW H. PETERS, BAYVIEW
SPECIALTY SERVICES LLC,
COASTLINE SPECIALTY
SERVICES LLC, STRAND VIEW
CORPORATION, INNOVATIVE
SPECIALTY SERVICES LLC,
PARAGON PARTNERS LLC (D/B/A
PARAGON MEDICAL PARTNERS),
CARDEA CONSULTING LLC, PRAXIS
MARKETING SERVICES LLC,
PROFESSIONAL RX PHARMACY LLC,
INLAND MEDICAL CONSULTANTS
LLC (D/B/A ADVANCED
THERAPEUTICS), PORTLAND
PROFESSIONAL PHARMACY LLC,
SUNRISE PHARMACY LLC,
PROFESSIONAL 205 PHARMACY LLC
(D/B/A PROFESSIONAL CENTER
205 PHARMACY), SYNERGY
MEDICAL SYSTEMS LLC (D/B/A
SYNERGY RX), SYNERGY RX LLC
(D/B/A SYNERGY RX), PRESTIGE
PROFESSIONAL
PHARMACY, JMSP LLC (D/B/A
PROFESSIONAL CENTER 205
PHARMACY), MPKM, LLC (D/B/A

Case No. 2:24-cv-00287-CKD

**DEFENDANTS' ANSWER AND
DEFENSES TO SECOND AMENDED
COMPLAINT**

PROFESSIONAL CENTER
PHARMACY), ONE WAY DRUG LLC
(D/B/A PARTELL PHARMACY),
PARTELL PHARMACY LLC,
OPTIMUM CARE PHARMACY INC.
(D/B/A MARBELLA PHARMACY),
GLENDALE PHARMACY LLC, and
LAKE FOREST PHARMACY (D/B/A
LAKEFOREST PHARMACY),

Defendants.

Defendants JMSP, LLC; Paragon Partners, LLC; Innovative Specialty Services, LLC; Cardea Consulting, LLC; Coastline Specialty Services, LLC; Portland Professional Pharmacy, LLC; Sunrise Pharmacy, LLC; Professional 205 Pharmacy, LLC; Lake Forest Pharmacy, LLC; Bayview Specialty Services, LLC; Praxis Marketing Services, LLC; Prestige Professional Pharmacy, LLC; Optimum Care Pharmacy, Inc.; Glendale Pharmacy, LLC; and Matthew Peters (collectively, “Defendants”) hereby answer the Second Amended Complaint (the “Complaint”) of the United States of America (“Government”). Defendants generally deny each and every allegation except those hereinafter specifically admitted. Defendants have included the headings reflected in the Government’s Complaint to aid the Court in reviewing Defendants’ Answer. To the extent these headings include factual allegations, Defendants expressly deny each and every allegation. Defendants further answer the numbered Paragraphs of the Complaint as follows:

I. COMPLAINT

1. Do not respond to the allegations set forth in numbered paragraph 1 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 1 of the Complaint.

2. Do not respond to the allegations set forth in numbered paragraph 2 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 2 of the Complaint.

3. Do not respond to the allegations set forth in numbered paragraph 3 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 3 of the Complaint.

II. PARTIES

4. Lack knowledge or information sufficient to form a belief as to the truth of the allegations in numbered paragraph 4 of the Complaint. To the extent a further response is required, deny the allegations in numbered paragraph 4 of the Complaint.

5. Lack knowledge or information sufficient to form a belief as to the truth of the allegations in numbered paragraph 5 of the Complaint. To the extent a further response is required, deny the allegations in numbered paragraph 5 of the Complaint.

Pharmacy Defendants

6. Do not respond to the allegations set forth in numbered paragraph 6 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered 6 of the Complaint.

7. Do not respond to the allegations set forth in numbered paragraph 7 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 7 of the Complaint.

8. Do not respond to the allegations set forth in numbered paragraph 8 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 8 of the Complaint.

9. Do not respond to the allegations set forth in numbered paragraph 9 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered 9 of the Complaint.

10. Do not respond to the allegations set forth in numbered paragraph 10 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered 10 of the Complaint.

11. Do not respond to the allegations set forth in numbered paragraph 11 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 11 of the

1 Complaint.

2 12. Do not respond to the allegations set forth in numbered paragraph 12 of the Complaint
3 because it states conclusions or characterizations of law for which no response is required. To the
4 extent a further response is required, deny the allegations in numbered paragraph 12 of the
5 Complaint.

6 13. Do not respond to the allegations set forth in numbered paragraph 13 of the Complaint
7 because it states conclusions or characterizations of law for which no response is required. To the
8 extent a further response is required, deny the allegations in numbered paragraph 13 of the
9 Complaint.

10 14. Do not respond to the allegations set forth in numbered paragraph 14 of the Complaint
11 because it states conclusions or characterizations of law for which no response is required. To the
12 extent a further response is required, deny the allegations in numbered paragraph 14 of the
13 Complaint.

14 15. Do not respond to the allegations set forth in numbered paragraph 15 of the Complaint
15 because it states conclusions or characterizations of law for which no response is required. To the
16 extent a further response is required, deny the allegations in numbered paragraph 15 of the
17 Complaint.

18 16. Do not respond to the allegations set forth in numbered paragraph 16 of the Complaint
19 because it states conclusions or characterizations of law for which no response is required. To the
20 extent a further response is required, deny the allegations in numbered paragraph 16 of the
21 Complaint.

22 17. Do not respond to the allegations set forth in numbered paragraph 17 of the Complaint
23 because it states conclusions or characterizations of law for which no response is required. To the
24 extent a further response is required, deny the allegations in numbered paragraph 17 of the
25 Complaint.

26 18. Do not respond to the allegations set forth in numbered paragraph 18 of the Complaint
27 because it states conclusions or characterizations of law for which no response is required. To the
28 extent a further response is required, deny the allegations in numbered paragraph 18 of the

Complaint.

19. Do not respond to the allegations set forth in numbered paragraph 19 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 19 of the Complaint.

20. Do not respond to the allegations set forth in numbered paragraph 20 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 20 of the Complaint.

Management Service Organization Defendants

21. Do not respond to the allegations set forth in numbered paragraph 21 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 21 of the Complaint.

22. Do not respond to the allegations set forth in numbered paragraph 22 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 22 of the Complaint.

23. Do not respond to the allegations set forth in numbered paragraph 23 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 23 of the Complaint.

24. Do not respond to the allegations set forth in numbered paragraph 24 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 24 of the Complaint.

25. Do not respond to the allegations set forth in numbered paragraph 25 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the

1 extent a further response is required, deny the allegations in numbered paragraph 25 of the
2 Complaint.

3 Marketing Entity Defendants

4 26. Do not respond to the allegations set forth in numbered paragraph 26 of the Complaint
5 because it states conclusions or characterizations of law for which no response is required. To the
6 extent a further response is required, deny the allegations in numbered paragraph 26 of the
7 Complaint.

8 27. Do not respond to the allegations set forth in numbered paragraph 27 of the Complaint
9 because it states conclusions or characterizations of law for which no response is required. To the
10 extent a further response is required, deny the allegations in numbered paragraph 27 of the
11 Complaint.

12 28. Do not respond to the allegations set forth in numbered paragraph 28 of the Complaint
13 because it states conclusions or characterizations of law for which no response is required. To the
14 extent a further response is required, deny the allegations in numbered paragraph 28 of the
15 Complaint.

16 29. Do not respond to the allegations set forth in numbered paragraph 29 of the Complaint
17 because it states conclusions or characterizations of law for which no response is required. To the
18 extent a further response is required, deny the allegations in numbered paragraph 29 of the
19 Complaint.

20 30. Do not respond to the allegations set forth in numbered paragraph 30 of the Complaint
21 because it states conclusions or characterizations of law for which no response is required. To the
22 extent a further response is required, deny the allegations in numbered paragraph 30 of the
23 Complaint.

24 31. Do not respond to the allegations set forth in numbered paragraph 31 of the Complaint
25 because it states conclusions or characterizations of law for which no response is required. To the
26 extent a further response is required, deny the allegations in numbered paragraph 31 of the
27 Complaint.

28 32. Do not respond to the allegations set forth in numbered paragraph 32 of the Complaint
Defendants' Answer and Defenses to Second Amended Complaint

1 because it states conclusions or characterizations of law for which no response is required. To the
2 extent a further response is required, deny the allegations in numbered paragraph 32 of the
3 Complaint.

4 33. Do not respond to the allegations set forth in numbered paragraph 33 of the Complaint
5 because it states conclusions or characterizations of law for which no response is required. To the
6 extent a further response is required, deny the allegations in numbered paragraph 33 of the
7 Complaint.

8 34. Do not respond to the allegations set forth in numbered paragraph 34 of the Complaint
9 because it states conclusions or characterizations of law for which no response is required. To the
10 extent a further response is required, deny the allegations in numbered paragraph 34 of the
11 Complaint.

12 Other Corporate Defendants

13 35. Do not respond to the allegations set forth in numbered paragraph 35 of the Complaint
14 because it states conclusions or characterizations of law for which no response is required. To the
15 extent a further response is required, deny the allegations in numbered paragraph 35 of the
16 Complaint.

17 36. Do not respond to the allegations set forth in numbered paragraph 36 of the Complaint
18 because it states conclusions or characterizations of law for which no response is required. To the
19 extent a further response is required, deny the allegations in numbered paragraph 36 of the
20 Complaint.

21 37. Do not respond to the allegations set forth in numbered paragraph 37 of the Complaint
22 because it states conclusions or characterizations of law for which no response is required. To the
23 extent a further response is required, deny the allegations in numbered paragraph 37 of the
24 Complaint.

25 38. Do not respond to the allegations set forth in numbered paragraph 38 of the Complaint
26 because it states conclusions or characterizations of law for which no response is required. To the
27 extent a further response is required, deny the allegations in numbered paragraph 38 of the
28 Complaint.

1 39. Do not respond to the allegations set forth in numbered paragraph 39 of the Complaint
2 because it states conclusions or characterizations of law for which no response is required. To the
3 extent a further response is required, deny the allegations in numbered paragraph 39 of the
4 Complaint.

5 **III. JURISDICTION AND VENUE**

6 40. Do not respond to the allegations set forth in numbered paragraph 40 of the Complaint
7 because it states conclusions or characterizations of law for which no response is required. To the
8 extent a further response is required, deny the allegations in numbered paragraph 40 of the
9 Complaint.

10 41. Do not respond to the allegations set forth in numbered paragraph 41 of the Complaint
11 because it states conclusions or characterizations of law for which no response is required. To the
12 extent a further response is required, deny the allegations in numbered paragraph 41 of the
13 Complaint.

14 42. Do not respond to the allegations set forth in numbered paragraph 42 of the Complaint
15 because it states conclusions or characterizations of law for which no response is required. To the
16 extent a further response is required, deny the allegations in numbered paragraph 42 of the
17 Complaint.

18 **IV. FEDERAL HEALTH CARE PROGRAMS**

19 **A. Medicare**

20 43. Do not respond to the allegations set forth in numbered paragraph 43 of the Complaint
21 because it states conclusions or characterizations of law for which no response is required. To the
22 extent a further response is required, deny the allegations in numbered paragraph 43 of the
23 Complaint.

24 44. Do not respond to the allegations set forth in numbered paragraph 44 of the Complaint
25 because it states conclusions or characterizations of law for which no response is required. To the
26 extent a further response is required, deny the allegations in numbered paragraph 44 of the
27 Complaint.

28 45. Do not respond to the allegations set forth in numbered paragraph 45 of the Complaint
Defendants' Answer and Defenses to
Second Amended Complaint

1 because it states conclusions or characterizations of law for which no response is required. To the
2 extent a further response is required, deny the allegations in numbered paragraph 45 of the
3 Complaint.

4 46. Do not respond to the allegations set forth in numbered paragraph 46 of the Complaint
5 because it states conclusions or characterizations of law for which no response is required. To the
6 extent a further response is required, deny the allegations in numbered paragraph 46 of the
7 Complaint.

8 47. Do not respond to the allegations set forth in numbered paragraph 47 of the Complaint
9 because it states conclusions or characterizations of law for which no response is required. To the
10 extent a further response is required, deny the allegations in numbered paragraph 47 of the
11 Complaint.

12 48. Do not respond to the allegations set forth in numbered paragraph 48 of the Complaint
13 because it states conclusions or characterizations of law for which no response is required. To the
14 extent a further response is required, deny the allegations in numbered paragraph 48 of the
15 Complaint.

16 49. Do not respond to the allegations set forth in numbered paragraph 49 of the Complaint
17 because it states conclusions or characterizations of law for which no response is required. To the
18 extent a further response is required, deny the allegations in numbered paragraph 49 of the
19 Complaint.

20 50. Do not respond to the allegations set forth in numbered paragraph 50 of the Complaint
21 because it states conclusions or characterizations of law for which no response is required. To the
22 extent a further response is required, deny the allegations in numbered paragraph 50 of the
23 Complaint.

24 **B. Medicaid**

25 51. Do not respond to the allegations set forth in numbered paragraph 51 of the Complaint
26 because it states conclusions or characterizations of law for which no response is required. To the
27 extent a further response is required, deny the allegations in numbered paragraph 51 of the
28 Complaint.

1 52. Do not respond to the allegations set forth in numbered paragraph 52 of the Complaint
2 because it states conclusions or characterizations of law for which no response is required. To the
3 extent a further response is required, deny the allegations in numbered paragraph 52 of the
4 Complaint.

5 53. Do not respond to the allegations set forth in numbered paragraph 53 of the Complaint
6 because it states conclusions or characterizations of law for which no response is required. To the
7 extent a further response is required, deny the allegations in numbered paragraph 53 of the
8 Complaint.

9 **C. TRICARE**

10 54. Do not respond to the allegations set forth in numbered paragraph 54 of the Complaint
11 because it states conclusions or characterizations of law for which no response is required. To the
12 extent a further response is required, deny the allegations in numbered paragraph 54 of the
13 Complaint.

14 55. Do not respond to the allegations set forth in numbered paragraph 55 of the Complaint
15 because it states conclusions or characterizations of law for which no response is required. To the
16 extent a further response is required, deny the allegations in numbered paragraph 55 of the
17 Complaint.

18 **V. FALSE CLAIMS ACT AND ANTI-KICKBACK STATUTE**

19 **A. THE FALSE CLAIMS ACT**

20 56. Do not respond to the allegations set forth in numbered paragraph 56 of the Complaint
21 because it states conclusions or characterizations of law for which no response is required. To the
22 extent a further response is required, deny the allegations in numbered paragraph 56 of the
23 Complaint.

24 57. Do not respond to the allegations set forth in numbered paragraph 57 of the Complaint
25 because it states conclusions or characterizations of law for which no response is required. To the
26 extent a further response is required, deny the allegations in numbered paragraph 57 of the
27 Complaint.

B. THE ANTI-KICKBACK STATUTE

58. Do not respond to the allegations set forth in numbered paragraph 58 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 58 of the Complaint.

59. Do not respond to the allegations set forth in numbered paragraph 59 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 59 of the Complaint.

60. Do not respond to the allegations set forth in numbered paragraph 60 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 60 of the Complaint.

61. Do not respond to the allegations set forth in numbered paragraph 61 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 61 of the Complaint.

62. Do not respond to the allegations set forth in numbered paragraph 62 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 62 of the Complaint.

63. Do not respond to the allegations set forth in numbered paragraph 63 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 63 of the Complaint.

64. Do not respond to the allegations set forth in numbered paragraph 64 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 64 of the

1 Complaint.

2 65. Do not respond to the allegations set forth in numbered paragraph 65 of the Complaint
3 because it states conclusions or characterizations of law for which no response is required. To the
4 extent a further response is required, deny the allegations in numbered paragraph 65 of the
5 Complaint.

6 66. Do not respond to the allegations set forth in numbered paragraph 66 of the Complaint
7 because it states conclusions or characterizations of law for which no response is required. To the
8 extent a further response is required, deny the allegations in numbered paragraph 66 of the
9 Complaint.

10 *i. The AKS Applies to Physician Investments*

11 67. Do not respond to the allegations set forth in numbered paragraph 67 of the Complaint
12 because it states conclusions or characterizations of law for which no response is required. To the
13 extent a further response is required, deny the allegations in numbered paragraph 67 of the
14 Complaint.

15 68. Do not respond to the allegations set forth in numbered paragraph 68 of the Complaint
16 because it states conclusions or characterizations of law for which no response is required. To the
17 extent a further response is required, deny the allegations in numbered paragraph 68 of the
18 Complaint.

19 69. Do not respond to the allegations set forth in numbered paragraph 69 of the Complaint
20 because it states conclusions or characterizations of law for which no response is required. To the
21 extent a further response is required, deny the allegations in numbered paragraph 69 of the
22 Complaint.

23 70. Do not respond to the allegations set forth in numbered paragraph 70 of the Complaint
24 because it states conclusions or characterizations of law for which no response is required. To the
25 extent a further response is required, deny the allegations in numbered paragraph 70 of the
26 Complaint.

27 71. Do not respond to the allegations set forth in numbered paragraph 71 of the Complaint
28 because it states conclusions or characterizations of law for which no response is required. To the

1 extent a further response is required, deny the allegations in numbered paragraph 71 of the
2 Complaint.

3 72. Do not respond to the allegations set forth in numbered paragraph 72 of the Complaint
4 because it states conclusions or characterizations of law for which no response is required. To the
5 extent a further response is required, deny the allegations in numbered paragraph 72 of the
6 Complaint.

7 73. Do not respond to the allegations set forth in numbered paragraph 73 of the Complaint
8 because it states conclusions or characterizations of law for which no response is required. To the
9 extent a further response is required, deny the allegations in numbered paragraph 73 of the
10 Complaint.

11 74. Do not respond to the allegations set forth in numbered paragraph 74 of the Complaint
12 because it states conclusions or characterizations of law for which no response is required. To the
13 extent a further response is required, deny the allegations in numbered paragraph 74 of the
14 Complaint.

15 75. Do not respond to the allegations set forth in numbered paragraph 75 of the Complaint
16 because it states conclusions or characterizations of law for which no response is required. To the
17 extent a further response is required, deny the allegations in numbered paragraph 75 of the
18 Complaint.

19 76. Do not respond to the allegations set forth in numbered paragraph 76 of the Complaint
20 because it states conclusions or characterizations of law for which no response is required. To the
21 extent a further response is required, deny the allegations in numbered paragraph 76 of the
22 Complaint.

23 *ii. The AKS Applies to Sales Representative Compensation*

24 77. Do not respond to the allegations set forth in numbered paragraph 77 of the Complaint
25 because it states conclusions or characterizations of law for which no response is required. To the
26 extent a further response is required, deny the allegations in numbered paragraph 77 of the
27 Complaint.

28 78. Do not respond to the allegations set forth in numbered paragraph 78 of the Complaint

1 because it states conclusions or characterizations of law for which no response is required. To the
2 extent a further response is required, deny the allegations in numbered paragraph 78 of the
3 Complaint.

4 79. Do not respond to the allegations set forth in numbered paragraph 79 of the Complaint
5 because it states conclusions or characterizations of law for which no response is required. To the
6 extent a further response is required, deny the allegations in numbered paragraph 79 of the
7 Complaint.

8 80. Do not respond to the allegations set forth in numbered paragraph 80 of the Complaint
9 because it states conclusions or characterizations of law for which no response is required. To the
10 extent a further response is required, deny the allegations in numbered paragraph 80 of the
11 Complaint.

12 81. Do not respond to the allegations set forth in numbered paragraph 81 of the Complaint
13 because it states conclusions or characterizations of law for which no response is required. To the
14 extent a further response is required, deny the allegations in numbered paragraph 81 of the
15 Complaint.

16 82. Do not respond to the allegations set forth in numbered paragraph 82 of the Complaint
17 because it states conclusions or characterizations of law for which no response is required. To the
18 extent a further response is required, deny the allegations in numbered paragraph 82 of the
19 Complaint.

20 **VI. THE MANAGEMENT SERVICES ORGANIZATIONS INVESTMENT SCHEME**

21 **A. Overview and History of the MSO Investment Scheme**

22 83. Do not respond to the allegations set forth in numbered paragraph 83 of the Complaint
23 because it states conclusions or characterizations of law for which no response is required. To the
24 extent a further response is required, deny the allegations in numbered paragraph 83 of the
25 Complaint.

26 84. Do not respond to the allegations set forth in numbered paragraph 84 of the Complaint
27 because it states conclusions or characterizations of law for which no response is required. To the
28 extent a further response is required, deny the allegations in numbered paragraph 84 of the

1 Complaint.

2 85. Do not respond to the allegations set forth in numbered paragraph 85 of the Complaint
3 because it states conclusions or characterizations of law for which no response is required. To the
4 extent a further response is required, deny the allegations in numbered paragraph 85 of the
5 Complaint.

6 86. Do not respond to the allegations set forth in numbered paragraph 86 of the Complaint
7 because it states conclusions or characterizations of law for which no response is required. To the
8 extent a further response is required, deny the allegations in numbered paragraph 86 of the
9 Complaint.

10 87. Do not respond to the allegations set forth in numbered paragraph 87 of the Complaint
11 because it states conclusions or characterizations of law for which no response is required. To the
12 extent a further response is required, deny the allegations in numbered paragraph 87 of the
13 Complaint.

14 88. Do not respond to the allegations set forth in numbered paragraph 88 of the Complaint
15 because it states conclusions or characterizations of law for which no response is required. To the
16 extent a further response is required, deny the allegations in numbered paragraph 88 of the
17 Complaint.

18 89. Do not respond to the allegations set forth in numbered paragraph 89 of the Complaint
19 because it states conclusions or characterizations of law for which no response is required. To the
20 extent a further response is required, deny the allegations in numbered paragraph 89 of the
21 Complaint.

22 90. Do not respond to the allegations set forth in numbered paragraph 90 of the Complaint
23 because it states conclusions or characterizations of law for which no response is required. To the
24 extent a further response is required, deny the allegations in numbered paragraph 90 of the
25 Complaint.

26 91. Do not respond to the allegations set forth in numbered paragraph 91 of the Complaint
27 because it states conclusions or characterizations of law for which no response is required. To the
28 extent a further response is required, deny the allegations in numbered paragraph 91 of the

1 Complaint.

2 92. Do not respond to the allegations set forth in numbered paragraph 92 of the Complaint
3 because it states conclusions or characterizations of law for which no response is required. To the
4 extent a further response is required, deny the allegations in numbered paragraph 92 of the
5 Complaint.

6 93. Do not respond to the allegations set forth in numbered paragraph 93 of the Complaint
7 because it states conclusions or characterizations of law for which no response is required. To the
8 extent a further response is required, deny the allegations in numbered paragraph 93 of the
9 Complaint.

10 94. Do not respond to the allegations set forth in numbered paragraph 94 of the Complaint
11 because it states conclusions or characterizations of law for which no response is required. To the
12 extent a further response is required, deny the allegations in numbered paragraph 94 of the
13 Complaint.

14 95. Do not respond to the allegations set forth in numbered paragraph 95 of the Complaint
15 because it states conclusions or characterizations of law for which no response is required. To the
16 extent a further response is required, deny the allegations in numbered paragraph 95 of the
17 Complaint.

18 96. Do not respond to the allegations set forth in numbered paragraph 96 of the Complaint
19 because it states conclusions or characterizations of law for which no response is required. To the
20 extent a further response is required, deny the allegations in numbered paragraph 96 of the
21 Complaint.

22 97. Do not respond to the allegations set forth in numbered paragraph 97 of the Complaint
23 because it states conclusions or characterizations of law for which no response is required. To the
24 extent a further response is required, deny the allegations in numbered paragraph 97 of the
25 Complaint.

26 98. Do not respond to the allegations set forth in numbered paragraph 98 of the Complaint
27 because it states conclusions or characterizations of law for which no response is required. To the
28 extent a further response is required, deny the allegations in numbered paragraph 98 of the

1 Complaint.

2 99. Do not respond to the allegations set forth in numbered paragraph 99 of the Complaint
3 because it states conclusions or characterizations of law for which no response is required. To the
4 extent a further response is required, deny the allegations in numbered paragraph 99 of the
5 Complaint.

6 100. Do not respond to the allegations set forth in numbered paragraph 100 of the
7 Complaint because it states conclusions or characterizations of law for which no response is
8 required. To the extent a further response is required, deny the allegations in numbered paragraph
9 100 of the Complaint.

10 101. Do not respond to the allegations set forth in numbered paragraph 101 of the
11 Complaint because it states conclusions or characterizations of law for which no response is
12 required. To the extent a further response is required, deny the allegations in numbered paragraph
13 101 of the Complaint.

14 102. Do not respond to the allegations set forth in numbered paragraph 102 of the
15 Complaint because it states conclusions or characterizations of law for which no response is
16 required. To the extent a further response is required, deny the allegations in numbered paragraph
17 102 of the Complaint.

18 103. Do not respond to the allegations set forth in numbered paragraph 103 of the
19 Complaint because it states conclusions or characterizations of law for which no response is
20 required. To the extent a further response is required, deny the allegations in numbered paragraph
21 103 of the Complaint.

22 104. Do not respond to the allegations set forth in numbered paragraph 104 of the
23 Complaint because it states conclusions or characterizations of law for which no response is
24 required. To the extent a further response is required, deny the allegations in numbered paragraph
25 104 of the Complaint.

i. Predecessors to the Defendant MSOs: Peters's Initial Attempt to Pay Kickbacks to Prescribers in the Form of Sham "Investment" Returns Involved Small "Investment" Circles He Called "PPMs"

105. Do not respond to the allegations set forth in numbered paragraph 105 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 105 of the Complaint.

106. Do not respond to the allegations set forth in numbered paragraph 106 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 106 of the Complaint.

107. Do not respond to the allegations set forth in numbered paragraph 107 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 107 of the Complaint.

108. Do not respond to the allegations set forth in numbered paragraph 108 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 108 of the Complaint.

109. Do not respond to the allegations set forth in numbered paragraph 109 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 109 of the Complaint.

110. Do not respond to the allegations set forth in numbered paragraph 110 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 110 of the Complaint.

111. Do not respond to the allegations set forth in numbered paragraph 111 of the

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 111 of the Complaint.

4
5 ii. The Coastline MSO

6 112. Do not respond to the allegations set forth in numbered paragraph 112 of the
7 Complaint because it states conclusions or characterizations of law for which no response is
8 required. To the extent a further response is required, deny the allegations in numbered paragraph
9 112 of the Complaint.

10 113. Do not respond to the allegations set forth in numbered paragraph 113 of the
11 Complaint because it states conclusions or characterizations of law for which no response is
12 required. To the extent a further response is required, deny the allegations in numbered paragraph
13 113 of the Complaint.

14 114. Do not respond to the allegations set forth in numbered paragraph 114 of the
15 Complaint because it states conclusions or characterizations of law for which no response is
16 required. To the extent a further response is required, deny the allegations in numbered paragraph
17 114 of the Complaint.

18 115. Do not respond to the allegations set forth in numbered paragraph 115 of the
19 Complaint because it states conclusions or characterizations of law for which no response is
20 required. To the extent a further response is required, deny the allegations in numbered paragraph
21 115 of the Complaint.

22 116. Do not respond to the allegations set forth in numbered paragraph 116 of the
23 Complaint because it states conclusions or characterizations of law for which no response is
24 required. To the extent a further response is required, deny the allegations in numbered paragraph
25 116 of the Complaint.

26 117. Do not respond to the allegations set forth in numbered paragraph 117 of the
27 Complaint because it states conclusions or characterizations of law for which no response is
28

1 required. To the extent a further response is required, deny the allegations in numbered paragraph
2 117 of the Complaint.

3 118. Do not respond to the allegations set forth in numbered paragraph 118 of the
4 Complaint because it states conclusions or characterizations of law for which no response is
5 required. To the extent a further response is required, deny the allegations in numbered paragraph
6 118 of the Complaint.

7 119. Do not respond to the allegations set forth in numbered paragraph 119 of the
8 Complaint because it states conclusions or characterizations of law for which no response is
9 required. To the extent a further response is required, deny the allegations in numbered paragraph
10 119 of the Complaint.

11 120. Do not respond to the allegations set forth in numbered paragraph 120 of the
12 Complaint because it states conclusions or characterizations of law for which no response is
13 required. To the extent a further response is required, deny the allegations in numbered paragraph
14 120 of the Complaint.

15 121. Do not respond to the allegations set forth in numbered paragraph 121 of the
16 Complaint because it states conclusions or characterizations of law for which no response is
17 required. To the extent a further response is required, deny the allegations in numbered paragraph
18 121 of the Complaint.

19 122. Do not respond to the allegations set forth in numbered paragraph 122 of the
20 Complaint because it states conclusions or characterizations of law for which no response is
21 required. To the extent a further response is required, deny the allegations in numbered paragraph
22 122 of the Complaint.

23 123. Do not respond to the allegations set forth in numbered paragraph 123 of the
24 Complaint because it states conclusions or characterizations of law for which no response is
25 required. To the extent a further response is required, deny the allegations in numbered paragraph
26 123 of the Complaint.

27 124. Do not respond to the allegations set forth in numbered paragraph 124 of the
28 Complaint because it states conclusions or characterizations of law for which no response is

1 required. To the extent a further response is required, deny the allegations in numbered paragraph
2 124 of the Complaint.

3 125. Do not respond to the allegations set forth in numbered paragraph 125 of the
4 Complaint because it states conclusions or characterizations of law for which no response is
5 required. To the extent a further response is required, deny the allegations in numbered paragraph
6 125 of the Complaint.

7
8 *iii. The Bayview MSO*

9 126. Do not respond to the allegations set forth in numbered paragraph 126 of the
10 Complaint because it states conclusions or characterizations of law for which no response is
11 required. To the extent a further response is required, deny the allegations in numbered paragraph
12 126 of the Complaint.

13 127. Do not respond to the allegations set forth in numbered paragraph 127 of the
14 Complaint because it states conclusions or characterizations of law for which no response is
15 required. To the extent a further response is required, deny the allegations in numbered paragraph
16 127 of the Complaint.

17 128. Do not respond to the allegations set forth in numbered paragraph 128 of the
18 Complaint because it states conclusions or characterizations of law for which no response is
19 required. To the extent a further response is required, deny the allegations in numbered paragraph
20 128 of the Complaint.

21 129. Do not respond to the allegations set forth in numbered paragraph 129 of the
22 Complaint because it states conclusions or characterizations of law for which no response is
23 required. To the extent a further response is required, deny the allegations in numbered paragraph
24 129 of the Complaint.

25 130. Do not respond to the allegations set forth in numbered paragraph 130 of the
26 Complaint because it states conclusions or characterizations of law for which no response is
27 required. To the extent a further response is required, deny the allegations in numbered paragraph
28

130 of the Complaint.

131. Do not respond to the allegations set forth in numbered paragraph 131 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 131 of the Complaint.

132. Do not respond to the allegations set forth in numbered paragraph 132 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 132 of the Complaint.

B. Details of the MSO Investment Scheme

133. Do not respond to the allegations set forth in numbered paragraph 133 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 133 of the Complaint.

134. Do not respond to the allegations set forth in numbered paragraph 134 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 134 of the Complaint.

135. Do not respond to the allegations set forth in numbered paragraph 135 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 135 of the Complaint.

i. Peters Created the MSOs with the Purpose of Rewarding Investors' Prescriptions and Engendering Loyalty to the Pharmacies.

136. Do not respond to the allegations set forth in numbered paragraph 136 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph

136 of the Complaint.

137. Do not respond to the allegations set forth in numbered paragraph 137 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 137 of the Complaint.

138. Do not respond to the allegations set forth in numbered paragraph 138 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 138 of the Complaint.

139. Do not respond to the allegations set forth in numbered paragraph 139 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 139 of the Complaint.

140. Do not respond to the allegations set forth in numbered paragraph 140 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 140 of the Complaint.

ii. MSO Investors Were Paid Exorbitant Returns

141. Do not respond to the allegations set forth in numbered paragraph 141 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 141 of the Complaint.

142. Do not respond to the allegations set forth in numbered paragraph 142 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 142 of the Complaint.

1 143. Do not respond to the allegations set forth in numbered paragraph 143 of the
2 Complaint because it states conclusions or characterizations of law for which no response is
3 required. To the extent a further response is required, deny the allegations in numbered paragraph
4 143 of the Complaint.

5 144. Do not respond to the allegations set forth in numbered paragraph 144 of the
6 Complaint because it states conclusions or characterizations of law for which no response is
7 required. To the extent a further response is required, deny the allegations in numbered paragraph
8 144 of the Complaint.

9 145. Do not respond to the allegations set forth in numbered paragraph 145 of the
10 Complaint because it states conclusions or characterizations of law for which no response is
11 required. To the extent a further response is required, deny the allegations in numbered paragraph
12 146 of the Complaint.

13 146. Do not respond to the allegations set forth in numbered paragraph 146 of the
14 Complaint because it states conclusions or characterizations of law for which no response is
15 required. To the extent a further response is required, deny the allegations in numbered paragraph
16 146 of the Complaint.

17 147. Do not respond to the allegations set forth in numbered paragraph 147 of the
18 Complaint because it states conclusions or characterizations of law for which no response is
19 required. To the extent a further response is required, deny the allegations in numbered paragraph
20 147 of the Complaint.

21 148. Do not respond to the allegations set forth in numbered paragraph 148 of the
22 Complaint because it states conclusions or characterizations of law for which no response is
23 required. To the extent a further response is required, deny the allegations in numbered paragraph
24 148 of the Complaint.

25 149. Do not respond to the allegations set forth in numbered paragraph 149 of the
26 Complaint because it states conclusions or characterizations of law for which no response is
27 required. To the extent a further response is required, deny the allegations in numbered paragraph
28 149 of the Complaint.

1 150. Do not respond to the allegations set forth in numbered paragraph 150 of the
2 Complaint because it states conclusions or characterizations of law for which no response is
3 required. To the extent a further response is required, deny the allegations in numbered paragraph
4 150 of the Complaint.

5 151. Do not respond to the allegations set forth in numbered paragraph 151 of the
6 Complaint because it states conclusions or characterizations of law for which no response is
7 required. To the extent a further response is required, deny the allegations in numbered paragraph
8 151 of the Complaint.

9 152. Do not respond to the allegations set forth in numbered paragraph 152 of the
10 Complaint because it states conclusions or characterizations of law for which no response is
11 required. To the extent a further response is required, deny the allegations in numbered paragraph
12 152 of the Complaint.

13 153. Do not respond to the allegations set forth in numbered paragraph 153 of the
14 Complaint because it states conclusions or characterizations of law for which no response is
15 required. To the extent a further response is required, deny the allegations in numbered paragraph
16 153 of the Complaint.

17 154. Do not respond to the allegations set forth in numbered paragraph 154 of the
18 Complaint because it states conclusions or characterizations of law for which no response is
19 required. To the extent a further response is required, deny the allegations in numbered paragraph
20 154 of the Complaint.

21 155. Do not respond to the allegations set forth in numbered paragraph 155 of the
22 Complaint because it states conclusions or characterizations of law for which no response is
23 required. To the extent a further response is required, deny the allegations in numbered paragraph
24 155 of the Complaint.

25 156. Do not respond to the allegations set forth in numbered paragraph 156 of the
26 Complaint because it states conclusions or characterizations of law for which no response is
27 required. To the extent a further response is required, deny the allegations in numbered paragraph
28 156 of the Complaint.

1 157. Do not respond to the allegations set forth in numbered paragraph 157 of the
2 Complaint because it states conclusions or characterizations of law for which no response is
3 required. To the extent a further response is required, deny the allegations in numbered paragraph
4 157 of the Complaint.

5 158. Do not respond to the allegations set forth in numbered paragraph 158 of the
6 Complaint because it states conclusions or characterizations of law for which no response is
7 required. To the extent a further response is required, deny the allegations in numbered paragraph
8 158 of the Complaint.

9 159. Do not respond to the allegations set forth in numbered paragraph 159 of the
10 Complaint because it states conclusions or characterizations of law for which no response is
11 required. To the extent a further response is required, deny the allegations in numbered paragraph
12 159 of the Complaint.

13 160. Do not respond to the allegations set forth in numbered paragraph 160 of the
14 Complaint because it states conclusions or characterizations of law for which no response is
15 required. To the extent a further response is required, deny the allegations in numbered paragraph
16 160 of the Complaint.

17 161. Do not respond to the allegations set forth in numbered paragraph 161 of the
18 Complaint because it states conclusions or characterizations of law for which no response is
19 required. To the extent a further response is required, deny the allegations in numbered paragraph
20 161 of the Complaint.

21
22 *iii. The Profits Received by each Physician Investor in the MSOs Depended*
23 *on the Physician's Prescribing Volume.*

24 162. Do not respond to the allegations set forth in numbered paragraph 162 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 162 of the Complaint.

28 163. Do not respond to the allegations set forth in numbered paragraph 163 of the

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 163 of the Complaint.

4 164. Do not respond to the allegations set forth in numbered paragraph 164 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 164 of the Complaint.

8 165. Do not respond to the allegations set forth in numbered paragraph 165 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 165 of the Complaint.

12 166. Do not respond to the allegations set forth in numbered paragraph 166 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 166 of the Complaint.

16 167. Do not respond to the allegations set forth in numbered paragraph 167 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 167 of the Complaint.

20 168. Do not respond to the allegations set forth in numbered paragraph 168 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 168 of the Complaint.

24 169. Do not respond to the allegations set forth in numbered paragraph 169 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 169 of the Complaint.

28 170. Do not respond to the allegations set forth in numbered paragraph 170 of the
Defendants' Answer and Defenses to Second Amended Complaint

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 170 of the Complaint.

4 171. Do not respond to the allegations set forth in numbered paragraph 171 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 171 of the Complaint.

8 172. Do not respond to the allegations set forth in numbered paragraph 172 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 172 of the Complaint.

12 173. Do not respond to the allegations set forth in numbered paragraph 173 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 173 of the Complaint.

16 174. Do not respond to the allegations set forth in numbered paragraph 174 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 174 of the Complaint.

20 175. Do not respond to the allegations set forth in numbered paragraph 175 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 175 of the Complaint.

24 176. Do not respond to the allegations set forth in numbered paragraph 176 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 176 of the Complaint.

28 177. Do not respond to the allegations set forth in numbered paragraph 177 of the
Defendants' Answer and Defenses to Second Amended Complaint

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 177 of the Complaint.

4 178. Do not respond to the allegations set forth in numbered paragraph 178 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 178 of the Complaint.

8 179. Do not respond to the allegations set forth in numbered paragraph 179 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 179 of the Complaint.

12 180. Do not respond to the allegations set forth in numbered paragraph 180 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 180 of the Complaint.

16 181. Do not respond to the allegations set forth in numbered paragraph 181 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 181 of the Complaint.

20 182. Do not respond to the allegations set forth in numbered paragraph 182 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 182 of the Complaint.

24 183. Do not respond to the allegations set forth in numbered paragraph 183 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 183 of the Complaint.

iv. Continued Prescribing to the Pharmacies Was Effectively a Condition of Investment.

184. Do not respond to the allegations set forth in numbered paragraph 184 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 184 of the Complaint.

185. Do not respond to the allegations set forth in numbered paragraph 185 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 185 of the Complaint.

186. Do not respond to the allegations set forth in numbered paragraph 186 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 186 of the Complaint.

187. Do not respond to the allegations set forth in numbered paragraph 187 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 187 of the Complaint.

188. Do not respond to the allegations set forth in numbered paragraph 188 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 188 of the Complaint.

189. Do not respond to the allegations set forth in numbered paragraph 189 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 189 of the Complaint.

190. Do not respond to the allegations set forth in numbered paragraph 190 of the

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 190 of the Complaint.

4 191. Do not respond to the allegations set forth in numbered paragraph 191 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 191 of the Complaint.

8 192. Do not respond to the allegations set forth in numbered paragraph 192 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 192 of the Complaint.

12 193. Do not respond to the allegations set forth in numbered paragraph 193 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 193 of the Complaint.

16 194. Do not respond to the allegations set forth in numbered paragraph 194 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 194 of the Complaint.

20 195. Do not respond to the allegations set forth in numbered paragraph 195 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 195 of the Complaint.

24 **C. Peters Attempted to Conceal His Unlawful Intent in False Documentation.**

25 196. Do not respond to the allegations set forth in numbered paragraph 196 of the
26 Complaint because it states conclusions or characterizations of law for which no response is
27 required. To the extent a further response is required, deny the allegations in numbered paragraph
28 196 of the Complaint.

1 197. Do not respond to the allegations set forth in numbered paragraph 197 of the
2 Complaint because it states conclusions or characterizations of law for which no response is
3 required. To the extent a further response is required, deny the allegations in numbered paragraph
4 197 of the Complaint.

5 198. Do not respond to the allegations set forth in numbered paragraph 198 of the
6 Complaint because it states conclusions or characterizations of law for which no response is
7 required. To the extent a further response is required, deny the allegations in numbered paragraph
8 198 of the Complaint.

9 199. Do not respond to the allegations set forth in numbered paragraph 199 of the
10 Complaint because it states conclusions or characterizations of law for which no response is
11 required. To the extent a further response is required, deny the allegations in numbered paragraph
12 199 of the Complaint.

13 200. Do not respond to the allegations set forth in numbered paragraph 200 of the
14 Complaint because it states conclusions or characterizations of law for which no response is
15 required. To the extent a further response is required, deny the allegations in numbered paragraph
16 200 of the Complaint.

17 201. Do not respond to the allegations set forth in numbered paragraph 201 of the
18 Complaint because it states conclusions or characterizations of law for which no response is
19 required. To the extent a further response is required, deny the allegations in numbered paragraph
20 201 of the Complaint.

21 202. Do not respond to the allegations set forth in numbered paragraph 202 of the
22 Complaint because it states conclusions or characterizations of law for which no response is
23 required. To the extent a further response is required, deny the allegations in numbered paragraph
24 202 of the Complaint.

25 203. Do not respond to the allegations set forth in numbered paragraph 203 of the
26 Complaint because it states conclusions or characterizations of law for which no response is
27 required. To the extent a further response is required, deny the allegations in numbered paragraph
28 203 of the Complaint.

1 204. Do not respond to the allegations set forth in numbered paragraph 204 of the
2 Complaint because it states conclusions or characterizations of law for which no response is
3 required. To the extent a further response is required, deny the allegations in numbered paragraph
4 204 of the Complaint.

5 205. Do not respond to the allegations set forth in numbered paragraph 205 of the
6 Complaint because it states conclusions or characterizations of law for which no response is
7 required. To the extent a further response is required, deny the allegations in numbered paragraph
8 205 of the Complaint.

9 206. Do not respond to the allegations set forth in numbered paragraph 206 of the
10 Complaint because it states conclusions or characterizations of law for which no response is
11 required. To the extent a further response is required, deny the allegations in numbered paragraph
12 206 of the Complaint.

13 207. Do not respond to the allegations set forth in numbered paragraph 207 of the
14 Complaint because it states conclusions or characterizations of law for which no response is
15 required. To the extent a further response is required, deny the allegations in numbered paragraph
16 207 of the Complaint.

17 208. Do not respond to the allegations set forth in numbered paragraph 208 of the
18 Complaint because it states conclusions or characterizations of law for which no response is
19 required. To the extent a further response is required, deny the allegations in numbered paragraph
20 208 of the Complaint.

21 209. Do not respond to the allegations set forth in numbered paragraph 209 of the
22 Complaint because it states conclusions or characterizations of law for which no response is
23 required. To the extent a further response is required, deny the allegations in numbered paragraph
24 209 of the Complaint.

25 **D. Peters Knew the MSO Investment Scheme Did Not Satisfy an AKS Safe Harbor.**

26 210. Do not respond to the allegations set forth in numbered paragraph 210 of the
27 Complaint because it states conclusions or characterizations of law for which no response is
28 required. To the extent a further response is required, deny the allegations in numbered paragraph

1 210 of the Complaint.

2 211. Do not respond to the allegations set forth in numbered paragraph 211 of the
3 Complaint because it states conclusions or characterizations of law for which no response is
4 required. To the extent a further response is required, deny the allegations in numbered paragraph
5 211 of the Complaint.

6 212. Do not respond to the allegations set forth in numbered paragraph 212 of the
7 Complaint because it states conclusions or characterizations of law for which no response is
8 required. To the extent a further response is required, deny the allegations in numbered paragraph
9 212 of the Complaint.

10 213. Do not respond to the allegations set forth in numbered paragraph 213 of the
11 Complaint because it states conclusions or characterizations of law for which no response is
12 required. To the extent a further response is required, deny the allegations in numbered paragraph
13 213 of the Complaint.

14 214. Do not respond to the allegations set forth in numbered paragraph 214 of the
15 Complaint because it states conclusions or characterizations of law for which no response is
16 required. To the extent a further response is required, deny the allegations in numbered paragraph
17 214 of the Complaint.

18 215. Do not respond to the allegations set forth in numbered paragraph 215 of the
19 Complaint because it states conclusions or characterizations of law for which no response is
20 required. To the extent a further response is required, deny the allegations in numbered paragraph
21 215 of the Complaint.

22 216. Do not respond to the allegations set forth in numbered paragraph 216 of the
23 Complaint because it states conclusions or characterizations of law for which no response is
24 required. To the extent a further response is required, deny the allegations in numbered paragraph
25 216 of the Complaint.

26 217. Do not respond to the allegations set forth in numbered paragraph 217 of the
27 Complaint because it states conclusions or characterizations of law for which no response is
28 required. To the extent a further response is required, deny the allegations in numbered paragraph

217 of the Complaint.

218. Do not respond to the allegations set forth in numbered paragraph 218 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 218 of the Complaint.

VII. THE SALES REPRESENTATIVE COMMISSION SCHEME

A. Peters Paid Unlawful Commissions to the Sales Representatives.

219. Do not respond to the allegations set forth in numbered paragraph 219 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 219 of the Complaint.

220. Do not respond to the allegations set forth in numbered paragraph 220 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 220 of the Complaint.

221. Do not respond to the allegations set forth in numbered paragraph 221 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 221 of the Complaint.

222. Do not respond to the allegations set forth in numbered paragraph 222 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 222 of the Complaint.

223. Do not respond to the allegations set forth in numbered paragraph 223 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 223 of the Complaint.

224. Do not respond to the allegations set forth in numbered paragraph 224 of the

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 224 of the Complaint.

4 225. Do not respond to the allegations set forth in numbered paragraph 225 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 225 of the Complaint.

8 226. Do not respond to the allegations set forth in numbered paragraph 226 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 226 of the Complaint.

12 227. Do not respond to the allegations set forth in numbered paragraph 227 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 227 of the Complaint.

16 228. Do not respond to the allegations set forth in numbered paragraph 228 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 228 of the Complaint.

20 229. Do not respond to the allegations set forth in numbered paragraph 229 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 229 of the Complaint.

24 230. Do not respond to the allegations set forth in numbered paragraph 230 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 230 of the Complaint.

28 231. Do not respond to the allegations set forth in numbered paragraph 231 of the
Defendants' Answer and Defenses to Second Amended Complaint

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 231 of the Complaint.

4 232. Do not respond to the allegations set forth in numbered paragraph 232 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 232 of the Complaint.

8 233. Do not respond to the allegations set forth in numbered paragraph 233 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 233 of the Complaint.

12 234. Do not respond to the allegations set forth in numbered paragraph 234 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 234 of the Complaint.

16 235. Do not respond to the allegations set forth in numbered paragraph 235 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 235 of the Complaint.

20 236. Do not respond to the allegations set forth in numbered paragraph 236 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 236 of the Complaint.

24
25 **B. Incentivized by Unlawful Commissions, the Sales Representatives Used Illicit**
26 **Tactics to Push Physicians to Prescribe to the Pharmacies, Regardless of**
Whether the Prescriptions Were Medically Appropriate.

27 237. Do not respond to the allegations set forth in numbered paragraph 237 of the
28

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 237 of the Complaint.

4 238. Do not respond to the allegations set forth in numbered paragraph 238 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 238 of the Complaint.

8 239. Do not respond to the allegations set forth in numbered paragraph 239 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 239 of the Complaint.

12 240. Do not respond to the allegations set forth in numbered paragraph 240 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 240 of the Complaint.

16 241. Do not respond to the allegations set forth in numbered paragraph 241 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 241 of the Complaint.

20 242. Do not respond to the allegations set forth in numbered paragraph 242 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 242 of the Complaint.

24 243. Do not respond to the allegations set forth in numbered paragraph 243 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 243 of the Complaint.

28 244. Do not respond to the allegations set forth in numbered paragraph 244 of the
Defendants' Answer and Defenses to Second Amended Complaint

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 244 of the Complaint.

4 245. Do not respond to the allegations set forth in numbered paragraph 245 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 245 of the Complaint.

8 246. Do not respond to the allegations set forth in numbered paragraph 246 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 246 of the Complaint.

12 247. Do not respond to the allegations set forth in numbered paragraph 247 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 247 of the Complaint.

16 248. Do not respond to the allegations set forth in numbered paragraph 248 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 248 of the Complaint.

20 249. Do not respond to the allegations set forth in numbered paragraph 249 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 249 of the Complaint.

24 250. Do not respond to the allegations set forth in numbered paragraph 250 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 250 of the Complaint.

28 251. Do not respond to the allegations set forth in numbered paragraph 251 of the
Defendants' Answer and Defenses to Second Amended Complaint

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 251 of the Complaint.

4 252. Do not respond to the allegations set forth in numbered paragraph 252 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 252 of the Complaint.

8 **VIII. PETERS CONCEALED OVERUTILIZATION RESULTING FROM**
9 **UNLAWFULLY-INDUCED PRESCRIPTIONS**

10 253. Do not respond to the allegations set forth in numbered paragraph 253 of the
11 Complaint because it states conclusions or characterizations of law for which no response is
12 required. To the extent a further response is required, deny the allegations in numbered paragraph
13 253 of the Complaint.

14 254. Do not respond to the allegations set forth in numbered paragraph 254 of the
15 Complaint because it states conclusions or characterizations of law for which no response is
16 required. To the extent a further response is required, deny the allegations in numbered paragraph
17 254 of the Complaint.

18 255. Do not respond to the allegations set forth in numbered paragraph 255 of the
19 Complaint because it states conclusions or characterizations of law for which no response is
20 required. To the extent a further response is required, deny the allegations in numbered paragraph
21 255 of the Complaint.

22 256. Do not respond to the allegations set forth in numbered paragraph 256 of the
23 Complaint because it states conclusions or characterizations of law for which no response is
24 required. To the extent a further response is required, deny the allegations in numbered paragraph
25 256 of the Complaint.

26 257. Do not respond to the allegations set forth in numbered paragraph 257 of the
27 Complaint because it states conclusions or characterizations of law for which no response is
28 required. To the extent a further response is required, deny the allegations in numbered paragraph

1 257 of the Complaint.

2 258. Do not respond to the allegations set forth in numbered paragraph 258 of the
3 Complaint because it states conclusions or characterizations of law for which no response is
4 required. To the extent a further response is required, deny the allegations in numbered paragraph
5 258 of the Complaint.

6 259. Do not respond to the allegations set forth in numbered paragraph 259 of the
7 Complaint because it states conclusions or characterizations of law for which no response is
8 required. To the extent a further response is required, deny the allegations in numbered paragraph
9 259 of the Complaint.

10 **IX. PETERS USED SHELL CORPORATIONS TO CONCEAL HIS CONDUCT**

11 260. Do not respond to the allegations set forth in numbered paragraph 260 of the
12 Complaint because it states conclusions or characterizations of law for which no response is
13 required. To the extent a further response is required, deny the allegations in numbered paragraph
14 260 of the Complaint.

15 261. Do not respond to the allegations set forth in numbered paragraph 261 of the
16 Complaint because it states conclusions or characterizations of law for which no response is
17 required. To the extent a further response is required, deny the allegations in numbered paragraph
18 261 of the Complaint.

19 262. Do not respond to the allegations set forth in numbered paragraph 262 of the
20 Complaint because it states conclusions or characterizations of law for which no response is
21 required. To the extent a further response is required, deny the allegations in numbered paragraph
22 262 of the Complaint.

23 263. Do not respond to the allegations set forth in numbered paragraph 263 of the
24 Complaint because it states conclusions or characterizations of law for which no response is
25 required. To the extent a further response is required, deny the allegations in numbered paragraph
26 263 of the Complaint.

27 264. Do not respond to the allegations set forth in numbered paragraph 264 of the
28 Complaint because it states conclusions or characterizations of law for which no response is

1 required. To the extent a further response is required, deny the allegations in numbered paragraph
2 264 of the Complaint.

3 265. Do not respond to the allegations set forth in numbered paragraph 265 of the
4 Complaint because it states conclusions or characterizations of law for which no response is
5 required. To the extent a further response is required, deny the allegations in numbered paragraph
6 265 of the Complaint.

7 266. Do not respond to the allegations set forth in numbered paragraph 266 of the
8 Complaint because it states conclusions or characterizations of law for which no response is
9 required. To the extent a further response is required, deny the allegations in numbered paragraph
10 266 of the Complaint.

11 267. Do not respond to the allegations set forth in numbered paragraph 267 of the
12 Complaint because it states conclusions or characterizations of law for which no response is
13 required. To the extent a further response is required, deny the allegations in numbered paragraph
14 267 of the Complaint.

15 268. Do not respond to the allegations set forth in numbered paragraph 268 of the
16 Complaint because it states conclusions or characterizations of law for which no response is
17 required. To the extent a further response is required, deny the allegations in numbered paragraph
18 268 of the Complaint.

19 269. Do not respond to the allegations set forth in numbered paragraph 269 of the
20 Complaint because it states conclusions or characterizations of law for which no response is
21 required. To the extent a further response is required, deny the allegations in numbered paragraph
22 269 of the Complaint.

23 270. Do not respond to the allegations set forth in numbered paragraph 270 of the
24 Complaint because it states conclusions or characterizations of law for which no response is
25 required. To the extent a further response is required, deny the allegations in numbered paragraph
26 270 of the Complaint.

27 271. Do not respond to the allegations set forth in numbered paragraph 271 of the
28 Complaint because it states conclusions or characterizations of law for which no response is

1 required. To the extent a further response is required, deny the allegations in numbered paragraph
2 271 of the Complaint.

3 272. Do not respond to the allegations set forth in numbered paragraph 272 of the
4 Complaint because it states conclusions or characterizations of law for which no response is
5 required. To the extent a further response is required, deny the allegations in numbered paragraph
6 272 of the Complaint.

7 273. Do not respond to the allegations set forth in numbered paragraph 273 of the
8 Complaint because it states conclusions or characterizations of law for which no response is
9 required. To the extent a further response is required, deny the allegations in numbered paragraph
10 20 of the Complaint.

11 **COUNT I**

12 Against Matthew Peters and the Defendant Pharmacies
(False Claims Act: Presentation of False Claims) (31 U.S.C. § 3729(a)(1)(A))

13 268. Do not respond to the allegations set forth in numbered paragraph 268 of the Complaint
14 because it states conclusions or characterizations of law for which no response is required. To the
15 extent a further response is required, deny the allegations in numbered paragraph 268 of the
16 Complaint.

17 269. Do not respond to the allegations set forth in numbered paragraph 269 of the Complaint
18 because it states conclusions or characterizations of law for which no response is required. To the
19 extent a further response is required, deny the allegations in numbered paragraph 269 of the
20 Complaint.

21 270. Do not respond to the allegations set forth in numbered paragraph 270 of the Complaint
22 because it states conclusions or characterizations of law for which no response is required. To the
23 extent a further response is required, deny the allegations in numbered paragraph 270 of the
24 Complaint.

25 271. Do not respond to the allegations set forth in numbered paragraph 271 of the Complaint
26 because it states conclusions or characterizations of law for which no response is required. To the
27 extent a further response is required, deny the allegations in numbered paragraph 271 of the
28

1 Complaint.

2 272. Do not respond to the allegations set forth in numbered paragraph 272 of the Complaint
3 because it states conclusions or characterizations of law for which no response is required. To the
4 extent a further response is required, deny the allegations in numbered paragraph 272 of the
5 Complaint.

6 273. Do not respond to the allegations set forth in numbered paragraph 273 of the Complaint
7 because it states conclusions or characterizations of law for which no response is required. To the
8 extent a further response is required, deny the allegations in numbered paragraph 273 of the
9 Complaint.

10 **COUNT II**

11 Against All Defendants

12 (False Claims Act: Causing to be Presented False Claims) (31 U.S.C. § 3729(a)(1)(A))

13 274. Do not respond to the allegations set forth in numbered paragraph 274 of the
14 Complaint because it states conclusions or characterizations of law for which no response is
15 required. To the extent a further response is required, deny the allegations in numbered paragraph
16 274 of the Complaint.

17 275. Do not respond to the allegations set forth in numbered paragraph 275 of the
18 Complaint because it states conclusions or characterizations of law for which no response is
19 required. To the extent a further response is required, deny the allegations in numbered paragraph
20 275 of the Complaint.

21 276. Do not respond to the allegations set forth in numbered paragraph 276 of the
22 Complaint because it states conclusions or characterizations of law for which no response is
23 required. To the extent a further response is required, deny the allegations in numbered paragraph
24 276 of the Complaint.

25 277. Do not respond to the allegations set forth in numbered paragraph 277 of the
26 Complaint because it states conclusions or characterizations of law for which no response is
27 required. To the extent a further response is required, deny the allegations in numbered paragraph
28 277 of the Complaint.

278. Do not respond to the allegations set forth in numbered paragraph 278 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 278 of the Complaint.

279. Do not respond to the allegations set forth in numbered paragraph 279 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 279 of the Complaint.

280. Do not respond to the allegations set forth in numbered paragraph 280 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 280 of the Complaint.

281. Do not respond to the allegations set forth in numbered paragraph 281 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 281 of the Complaint.

282. Do not respond to the allegations set forth in numbered paragraph 282 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 282 of the Complaint.

COUNT III

Against All Defendants

(False Claims Act: Conspiracy) (31 U.S.C. § 3729(a)(1)(C))

283. Do not respond to the allegations set forth in numbered paragraph 283 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 283 of the Complaint.

284. Do not respond to the allegations set forth in numbered paragraph 284 of the

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 284 of the Complaint.

4 285. Do not respond to the allegations set forth in numbered paragraph 285 of the
5 Complaint because it states conclusions or characterizations of law for which no response is
6 required. To the extent a further response is required, deny the allegations in numbered paragraph
7 285 of the Complaint.

8 286. Do not respond to the allegations set forth in numbered paragraph 286 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 286 of the Complaint.

12 287. Do not respond to the allegations set forth in numbered paragraph 287 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 287 of the Complaint.

16 288. Do not respond to the allegations set forth in numbered paragraph 288 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 288 of the Complaint.

20 289. Do not respond to the allegations set forth in numbered paragraph 289 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 289 of the Complaint.

24 290. Do not respond to the allegations set forth in numbered paragraph 290 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 290 of the Complaint.

28 291. Do not respond to the allegations set forth in numbered paragraph 291 of the
Defendants' Answer and Defenses to Second Amended Complaint

1 Complaint because it states conclusions or characterizations of law for which no response is
2 required. To the extent a further response is required, deny the allegations in numbered paragraph
3 291 of the Complaint.

4 **COUNT IV**

5 **Against Peters and the Defendant Pharmacies**
6 **(False Claims Act: Avoiding or Decreasing an Obligation to Pay or Transmit Money or**
7 **Property to the Government) (31 U.S.C. § 3729(a)(1)(G))**

8 292. Do not respond to the allegations set forth in numbered paragraph 292 of the
9 Complaint because it states conclusions or characterizations of law for which no response is
10 required. To the extent a further response is required, deny the allegations in numbered paragraph
11 292 of the Complaint.

12 293. Do not respond to the allegations set forth in numbered paragraph 293 of the
13 Complaint because it states conclusions or characterizations of law for which no response is
14 required. To the extent a further response is required, deny the allegations in numbered paragraph
15 293 of the Complaint.

16 294. Do not respond to the allegations set forth in numbered paragraph 294 of the
17 Complaint because it states conclusions or characterizations of law for which no response is
18 required. To the extent a further response is required, deny the allegations in numbered paragraph
19 294 of the Complaint.

20 295. Do not respond to the allegations set forth in numbered paragraph 295 of the
21 Complaint because it states conclusions or characterizations of law for which no response is
22 required. To the extent a further response is required, deny the allegations in numbered paragraph
23 295 of the Complaint.

24 296. Do not respond to the allegations set forth in numbered paragraph 296 of the
25 Complaint because it states conclusions or characterizations of law for which no response is
26 required. To the extent a further response is required, deny the allegations in numbered paragraph
27 296 of the Complaint.
28

COUNT V:

Against Peters
(Unjust Enrichment)

297. Do not respond to the allegations set forth in numbered paragraph 297 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 297 of the Complaint.

298. Do not respond to the allegations set forth in numbered paragraph 298 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 298 of the Complaint.

299. Do not respond to the allegations set forth in numbered paragraph 299 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 299 of the Complaint.

COUNT VI

Against Peters and the Defendant Pharmacies
(Payment by Mistake)

300. Do not respond to the allegations set forth in numbered paragraph 300 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 300 of the Complaint.

301. Do not respond to the allegations set forth in numbered paragraph 301 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 301 of the Complaint.

302. Do not respond to the allegations set forth in numbered paragraph 302 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph

302 of the Complaint.

303. Do not respond to the allegations set forth in numbered paragraph 303 of the Complaint because it states conclusions or characterizations of law for which no response is required. To the extent a further response is required, deny the allegations in numbered paragraph 303 of the Complaint.

PRAYER FOR RELIEF

Defendants deny that the Government is entitled to any relief. Defendants further deny any and all allegations contained in the unnumbered “WHEREFORE” paragraph, including any and all allegations contained in subparagraphs (a) through (d).

DEMAND FOR JURY TRIAL

Defendants request a jury trial as any and all issues triable of right by a jury. To the extent a further response is required, deny the allegations in this paragraph of the Complaint.

GENERAL DENIAL

Defendants deny each and every allegation in the Second Amended Complaint that has not been admitted or responded to specifically. To the extent any allegations of fact remain unanswered, they are denied by Defendants.

DEFENDANTS’ DEFENSES

Defendants plead the following defenses and reserve the right to assert additional affirmative defenses to the extent that such defenses become known as a result of discovery or otherwise:

1. The Government’s claims are barred, in whole or in part, by the statute of limitations.
2. The Government’s claims are barred, in whole or in part, by the doctrine of estoppel.
3. Defendants are not vicariously liable for the acts alleged in the Complaint.
4. Defendants are not liable to the extent that the United States failed to take adequate measures to mitigate damages.
5. Damages and claims are barred, in whole or in part, by the existence of an express contract.
6. The services and products reimbursed by the United States under Medicare were worth

1 what the government paid.

2 7. The Government's claims based on alleged conduct by Defendants are barred, in whole
3 or in part, by the fact that the United States has suffered no actual injury.

4 8. The Government's causes of action and allegations in the Complaint are vague,
5 ambiguous and uncertain.

6 9. Damages and claims for which the Government seeks relief in the Complaint, if any,
7 were caused by the acts, errors or omissions or other fault of third parties and/or
8 contributed to and/or other fault of third parties, for whose conduct Defendants were not
9 responsible.

10 10. The alleged damages are speculative, uncertain, or contingent and are not recoverable.

11 11. Defendants are not liable for the alleged damages due to contribution and/or
12 indemnification.

13 12. To the extent that the Government obtains or obtained recovery in any other proceeding
14 predicated on the same factual allegations, the Government is barred from seeking
15 recovery against Defendants based on the Complaint under the doctrines of res judicata
16 and collateral estoppel.

17 **DEFENDANTS' PRAYER FOR RELIEF**

18 WHEREFORE, Defendants respectfully request:

- 19 i. Judgment dismissing the Complaint with prejudice;
- 20 ii. Judgment denying all relief requested by the Government and granting
- 21 Defendants' attorneys' fees and costs in defending against the Complaint; and
- 22 iii. Such other and further relief as this Court deems just and equitable.
- 23
- 24
- 25
- 26
- 27
- 28

1 Dated: August 20, 2024

2 JAMES S. BELL, P.C.

3 s/James S. Bell

4 James S. Bell

5 State Bar No. 252662

6 2808 Cole Avenue

7 Dallas, TX 75204

8 Telephone: (214) 668-9000

9 Email: james@jamesbellpc.com

10 *Attorney for Defendants*

PROOF OF SERVICE

United States of America v. Matthew H. Peters, et al.
Case No. 2:24-cv-00287-CKD

STATE OF TEXAS, COUNTY OF DALLAS

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Dallas, State of Texas. My business address is 2808 Cole Avenue, Dallas, TX 75204. On August 20, 2024, I served true copies of the following document(s) described as **DEFENDANTS' ANSWER AND DEFENSES TO SECOND AMENDED COMPLAINT** on the interested parties in this action as follows:

David A. Theiss
Assistant United States Attorney
Steven Tennyson
Assistant United States Attorney
501 I Street, Suite 10-100
Sacramento, CA 95814
Telephone: (916) 554-2700
Facsimile: (916) 554-2900
Email: David.Thiess@usdoj.gov
Email: Steven.Tennyson2@usdoj.gov

Attorneys for the United States of America

X BY CM/ECF NOTICE OF ELECTRONIC FILING: I electronically filed the document(s) with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered CM/ECF users will be served by mail or by other means permitted by the court rules.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on August 20, 2024, at Dallas, Texas.

/s/ Connor Nash
Connor Nash